

FLORIDA CANTON TOWNSHIP DISTRICT BOARD
GENERAL PURPOSE FINANCIAL STATEMENTS
YEAR END 2001
FLORISSON, LOUISIANA

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September 5, 2002

Independent Auditor's Report

Mr. Robert C. Tyler, Jr., President
and Members of the Board of Commissioners
Florida Parishes Juvenile Justice District
Hammond, Louisiana

We have audited the accompanying general purpose financial statements of the Florida Parishes Juvenile Justice District, Hammond, Louisiana, as of June 30, 2002, and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the Florida Parishes Juvenile Justice District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Florida Parishes Juvenile Justice District as of June 30, 2002, and the results of its operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated September 5, 2002 on our consideration of the Florida Parishes Juvenile Justice District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplementary information schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Florida Paradise Avenue Harbor District. Such information has been subjected to the auditing procedures applied in the examination of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Respectfully submitted,

Hannia T. Bourgeois, LL.P.

**GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)**

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT
COMBINED BALANCE SHEET, ALL FUND TYPES AND ACCOUNT ORIGIN

JUNE 30, 2002

	Governmental Funds		
	General Fund	Special Revenue Fund	Debt Service Fund
Assets and Other Debits			
Assets:			
Cash	\$ 258,136	\$ 85,854	\$ -
Investments	963,043	1,338,368	-
Receivables, Net			
Accounts	13,743	-	-
Intergovernmental Grant	13,348	-	-
Prepaid Insurance	50,747	-	-
Land	-	-	-
Building and Improvements	-	-	-
Vehicle and Equipment	-	-	-
Other Debits:			
Amount to be Provided for Retirement of General Long-Term Debt	-	-	-
Total Assets and Other Debits	\$ 1,285,228	\$ 1,445,855	\$ -
Liabilities and Fund Equity:			
Liabilities:			
Accounts Payable and Payroll Withholdings	\$ 91,828	\$ -	\$ -
Accrued Expenditures	-	-	-
Certificate of Indebtedness	-	-	-
Total Liabilities	91,828	-	-
Fund Equity:			
Investment in General Fixed Assets	-	-	-
Fund Balances:			
Unreserved - Undedicated	1,208,871	1,445,855	-
Total Fund Equity	1,208,871	1,445,855	-
Total Liabilities and Fund Equity	\$ 1,285,228	\$ 1,445,855	\$ -

The accompanying notes are an integral part of this statement.

Exhibit A

Account Groups		Total	
General Fixed Assets	General Long-Term Debt	Metropolitan, Ohio	
		2002	2003
\$ -	\$ -	\$ 344,580	\$ 308,412
-	-	1,346,243	1,516,260
-	-	(3,743)	18,373
-	-	12,344	7,481
-	-	29,740	74,879
24,001	-	34,031	34,001
7,607,280	-	7,649,260	7,247,572
480,289	-	488,289	499,062
-	1,445,000	1,445,000	1,819,625
\$ 8,120,520	\$ 1,445,000	\$ 12,335,174	\$ 12,789,448
\$ -	\$ -	\$ 90,923	\$ 197,285
-	-	-	59,658
-	1,445,000	1,445,000	1,360,080
-	1,445,000	1,338,828	1,337,163
8,120,520	-	8,170,520	8,051,560
-	-	2,623,728	2,788,720
8,120,520	-	10,794,248	10,840,280
\$ 8,120,520	\$ 1,445,000	\$ 12,335,174	\$ 12,789,448

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

Exhibit B

**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**

FOR THE YEAR ENDED JUNE 30, 2002

	<u>Governmental Fund Types</u>				
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Totals</u>	
				<u>Memorandum Only</u>	<u>2001</u>
	<u>2002</u>	<u>2002</u>	<u>2002</u>	<u>2002</u>	<u>2001</u>
Revenue:					
Court Costs	\$ 283,398	\$ -	\$ -	\$ 283,398	\$ 283,328
Fees for Services	264,931	-	-	264,931	271,892
Intergovernmental	25,879	112,567	-	244,386	242,329
Ad. Voluntary Taxes	-	3,198,319	-	3,198,319	3,813,519
Interest and Other	144,246	20,158	-	164,405	202,628
Total Revenue	718,654	3,310,826	-	4,029,480	4,613,697
Expenditures:					
Public Safety:					
Salaries and Related Benefits	2,807,940	-	-	2,807,940	2,829,628
Travel and Training	39,791	-	-	39,791	81,849
Operating Services	288,567	-	-	288,567	343,888
Operating Supplies	228,608	-	-	228,608	211,778
Professional Services	124,547	-	-	124,547	123,158
Other	-	168,826	-	168,826	135,723
Capital Outlay	71,368	-	-	71,368	20,522
Debt Service:					
Principal Retirement	-	-	345,686	345,686	380,686
Interest and Fiscal Charges	-	-	81,470	81,470	128,348
Total Expenditures	3,687,889	308,826	426,470	4,182,677	3,952,184
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,973,234)	3,002,000	(406,470)	(366,994)	281,783
Other Financing Sources (Uses):					
Operating Transfers In	2,854,853	393,863	486,470	3,656,420	3,332,419
Operating Transfers Out	(298,883)	(3,395,623)	-	(3,694,506)	(3,332,419)
Total Other Financing Sources (Uses)	2,555,970	(3,001,760)	486,470	-	-
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures Other Uses	(417,264)	177,270	-	(108,994)	281,783
Fund Balance - Beginning of Year	1,454,943	1,237,781	-	2,782,720	2,518,937
Fund Balance - End of Year	\$ 1,037,679	\$ 1,415,051	\$ -	\$ 2,452,730	\$ 2,780,720

The accompanying notes are an integral part of this statement.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

CONVENTIONAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES BUDGET (GAAP BASED) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2000

	General Fund			Special Revenue Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenue:						
Court Costs	\$ 416,372	\$ 293,198	\$ (123,174)	\$ -	\$ -	\$ -
Fees for Services	175,838	264,001	88,163	-	-	-
Intergovernmental	-	25,879	25,879	133,271	208,587	65,316
All Voluntary Taxes	-	-	-	3,143,736	3,146,333	(1,697)
Insurance and Other	144,600	144,249	(351)	33,100	33,139	(39)
Total Revenue	740,810	728,627	(12,183)	1,269,147	1,347,029	77,882
Expenditures:						
Public Safety:						
Salaries and Related Benefits	1,728,360	2,587,848	(85,489)	-	-	-
Travel and Training	23,328	36,731	3,794	-	-	-
Operating Services	186,867	786,487	6,480	-	-	-
Operating Supplies	223,836	238,678	4,872	-	-	-
Professional Services	144,575	158,587	(14,022)	-	-	-
Other	-	-	-	136,140	168,336	12,174
Capital Outlay	70,340	71,246	(1,089)	-	-	-
Total Expenditures	1,583,217	3,641,831	(92,644)	(26,590)	168,336	12,174
Excess (Deficiency) of Revenue Over Expenditures	(1,842,407)	(2,913,204)	(86,378)	3,173,642	3,238,709	65,067
Other Financing Sources (Uses):						
Operating transfers in	2,654,660	2,654,665	-	-	299,199	299,199
Operating transfers out	(165,190)	(279,852)	114,652	(3,738,880)	(3,756,633)	(648,115)
Total Other Sources (Uses)	2,489,470	2,654,960	165,470	(1,765,438)	(3,061,434)	(1,521,889)
Excess (Deficiency) of Revenue and Other Sources Over (Under) Expenditures and Other Uses	(342,937)	(258,244)	284,876	408,142	177,275	(287,922)
Fund Balance - Beginning of Year	1,492,933	1,492,933	-	1,287,788	1,287,788	-
Fund Balance - End of Year	\$ 951,796	\$ 1,204,689	\$ 225,378	\$ 1,792,977	\$ 1,466,663	\$ (287,522)

The accompanying notes are an integral part of this statement.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2002

Introduction

The Florida Parishes Juvenile Justice District (hereinafter referred to as the "District") was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 15:9994, as a political subdivision of the state, with territorial jurisdiction throughout the Twenty-First and Twenty-Second Judicial Districts, including the parishes of Livingston, St. Helena, St. Tammany, Tangipahoa and Washington. The District is governed by a Board of Commissioners composed of seven commissioners who are residents of the District. Two commissioners are appointed for terms of four years by the judges of the Twenty-First Judicial District; two commissioners are appointed for terms of four years by the judges of the Twenty-Second Judicial District; one commissioner is jointly appointed for a term of four years by the judges of the city courts of Bogalusa and Slidell; one commissioner is jointly appointed for a term of four years by the judges of the City of Denham Springs and Hammond and, on an alternating basis, one commissioner shall be appointed for a term of two years by the District Attorney of the Twenty-First Judicial District and by the District Attorney of the Twenty-Second Judicial District. All appointments must be confirmed by the Senate. The Board of Commissioners receive no compensation for their services on the board.

The purpose of the commission is to assist and afford opportunities to children who enter the juvenile justice system, or who are children in need of care or supervision, to become productive, law-abiding citizens of the community, parish, and state by the establishment of rehabilitative programs within a structured environment and to provide physical facilities and related services for children throughout the parishes of Livingston, St. Helena, St. Tammany, Tangipahoa, and Washington.

The board has authority to purchase or otherwise acquire, construct, reconstruct, rehabilitate, improve, repair, operate, lease to lease or lease, manage, and administer or enter into contracts for the management, administration, and operation of a juvenile detention facility or facilities, shelter care facility or facilities, or such other juvenile justice facilities as are useful, necessary, expedient, or convenient to carry out the plans and purposes of the commission and for the orderly conduct of its business.

The District presently owns and operates the Florida Parishes Juvenile Detention Center, a 60-bed Secure Detention facility housing juveniles. Management and operation of the detention center is performed by a Superintendent and 80 employees, all of whom are appointed by the board. Funding for the District is provided by: (1) court costs levied on all felony and misdemeanor prosecutions, including traffic citations by any court in the District; (2) charges for services provided by the detention center and (3) grants from the Department of Corrections, State of Louisiana.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)

JUNE 30, 2002

Note 1 - Summary of Significant Accounting Policies -

Basis of Presentation

The accounting and reporting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the industry audit guide, *Audit of State and Local Governmental Units*.

The following is a summary of certain significant accounting policies.

Financial Reporting Entity

As the governing authority of the District, for reporting purposes, the Florida Parishes Juvenile Justice District is the financial reporting entity for the District. The financial reporting entity consists of (a) the primary government (board), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Florida Parishes Juvenile Justice District for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the District to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the District.
2. Organizations for which the Board does not appoint a voting majority but are financially dependent on the District.
3. Organizations for which the reporting entity financial statements would be misleading if that of the organization is not included, because of the nature or significance of the relationship.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

NOTES TO FINANCIAL STATEMENTS - CONTINUED

JUNE 30, 2002

Based on the application of the above criteria, it was determined the Florida Parishes Juvenile Justice District has no potential component unit. As a result, this report includes all funds and account groups which are controlled by or dependent on the District. Control by or dependence on the District was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

Fund Accounting

The District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the District are classified as governmental funds. Governmental funds account for the District's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds of the District include:

1. **General Fund** - the general operating fund of the District and accounts for all financial resources, except those required to be accounted for in other funds.
2. **Special Revenue Fund** - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.
3. **Capital Projects Fund** - accounts for financial resources received and used for the acquisition, construction or improvement of capital facilities not reported in the other governmental funds.
4. **Debt Service Fund** - Debt Service Funds are used to account for the accumulation of resources for and the payment of general long-term debt principal, interest, and related costs.

Property, Plant And Equipment And Long-Term Liabilities

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus and only current assets and current liabilities are generally included in that balance sheet.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

NOTES TO FINANCIAL STATEMENTS - HOOK-TINUM

JUNE 30, 2002

Fixed assets used in governmental fund type operations (general fund assets) are accounted for in the General Fixed Assets Account Group, and are recorded as expenditures in the governmental fund types when purchased. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, canals and gutters, streets and sidewalks, drainage systems, and lighting systems are not capitalized along with other general fixed assets. No depreciation has been provided on general fixed assets.

All fixed assets are stated at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are stated at their estimated fair market value on the date donated.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group.

The two account groups are not "funds". They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the General Long-Term Debt Account Group.

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by the governmental funds. The records of the Florida Parishes Juvenile Justice District are maintained on a cash basis of accounting. However, the governmental funds reported in the accompanying financial statements have been converted to a modified accrual basis of accounting utilizing the following practices:

Revenues

Governmental fund revenues (fees and interest earned) are accounted for using the modified accrual basis of accounting. The revenues are recognized when they become measurable and available as net current assets. Exceptions to this rule are state grants and grant costs which are recorded as revenue when received.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT
NOTES TO FINANCIAL STATEMENTS - (CONTINUED)

JUNE 30, 2002

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Budgets

Budgetary procedures applicable to the District are defined in state law, Louisiana Revised Statutes 39:1301-14. The major requirements of the Local Government Budget Act are summarized as follows:

1. The District must adopt a budget each year for the general fund, and each special revenue fund, if applicable.
2. The President must prepare a proposed budget and submit the proposed budget to the Board of Commissioners for consideration no later than 45 days prior to the beginning of each fiscal year. At the same time, if total proposed expenditures are \$250,000 or more, a notice of public hearing on the proposed budget must be published in the official journal in each parish in which the District has jurisdiction. The proposed budget was submitted to the board of commissioners on May 16, 2001. Upon acceptance by the board, the proposed budget was first published in the official journal in each parish in which the District has jurisdiction on May 29, 2001.
3. A public hearing on the proposed budget must be held at least ten days after publication of the call for the hearing. A public hearing was held on the proposed budget on June 13, 2001.
4. After the public hearing, the budget is adopted by ordinance. All action necessary to adopt and implement the budget must be completed prior to the end of the fiscal year in progress. The budget was adopted on June 13, 2001.
5. The District must certify completion of all actions required to adopt and implement the budget by publishing a notice in the official journal in each parish in which the District has jurisdiction.
6. Budgetary amendments involving the transfer of funds from one program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the board of Commissioners. The budget was amended on May 23, 2002.
7. All budgetary appropriations lapse at the end of each fiscal year.

Reconciling Items

The District does not utilize accrual/basis accounting.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

NOTES TO FINANCIAL STATEMENTS – (CONTINUED)

JUNE 30, 2002

Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest bearing demand deposits, and money market accounts. Cash also includes amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the District may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at original cost.

Inventory

The District uses the purchase method for accounting for expendable supplies whereby expenditures are recognized when the items are purchased. The District did not record any inventory at June 30, 2002, as the amount is not material.

Prepaid Items

The District recorded prepaid insurance in the amount of \$24,747 at June 30, 2002.

Fixed Assets

Fixed assets are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized in the general fixed assets account group. Public domain or infrastructures are not capitalized. Interest costs incurred during construction are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

Long-Term Obligations

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long term obligations are recognized in the governmental funds when due.

Total Columns on Statements

The total columns on the statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with accounting principles generally accepted in the United States of America. Neither is such data comparable to a consolidation.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT
NOTES TO FINANCIAL STATEMENTS - (CONTINUED)

JUNE 30, 2002

Note 3 - Cash and Investments -

At June 30, 2002, the book balance of the District's deposits was \$344,310 and the bank balance was \$471,068. Of the bank balance, \$100,000 was covered by Federal deposit insurance and \$309,068 was covered by collateral held by the Federal Reserve Bank of New Orleans in the fiscal agent bank's name. There was an uncollateralized amount of \$61,224 at June 30, 2002.

The collateral for the District's deposits is categorized to give an indication of the level of risk assumed by the District at year end. Category 1 includes deposits that are insured or registered or for which the securities are held by the District or its agent in the District's name. Category 2 includes uninsured and unregistered deposits for which the securities are held by the counterparty's trust department or agent in the District's name. Category 3 includes uninsured and unregistered deposits for which the securities are held by the counterparty's trust department or agent, but not in the District's name.

	Confirmed Book Balance June 30, 2002	FDIC Insurance	Balance Uninsured
Cash	<u>\$ 471,068</u>	<u>\$ 100,000</u>	\$ 371,068
Uncollateralized - Securities Pledged and Held by the Custodial Bank in the Name of the Fiscal Agent			<u>309,068</u>
Deficiency of FDIC Insurance and Pledged Securities over Cash and Cash Equivalents			<u>\$ 61,224</u>

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 38:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 90 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

Investments

Under state law, the District may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash. Investments are stated at cost.

Some investments in June 30, 2002 are in the Louisiana Asset Management Fund (LAMF), a local government investment pool. In accordance with GASB Codification Section 190.105, the investment in LAMF is not categorized in the three risk categories provided by GASB Codification Section 190.104 because the investment is in the pool of funds and thereby not evidenced by securities that exist in physical or book entry form. LAMF is administered by LAMF, Inc., a nonprofit

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)

JUNE 30, 2002

corporation organized under the laws of the State of Louisiana, and is governed by a board of directors comprised of representatives from various local governments and state-wide professional organizations. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. government or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by these securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

As of June 30, 2002, the District invested \$246,726 in LAMP and \$1,099,517 in U.S. Government Obligations. The District records all interest revenue related to investment activity in the respective funds.

The District's investments are categorized to give an indication of level of risk assumed by the District at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the District or its agent in the District's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent, but not in the District's name.

Investments are stated at amortized cost, and all investment activities are conducted through the fiscal agent. During 2002, the District did not invest through any security brokers or dealers. Treasury notes and bills are bought and held at the Federal Reserve Bank of New Orleans in the District's name.

	Category			Carrying	Market
	1	2	3	Amount	Value
LAMP	\$ -	\$ -	\$ -	\$ 246,726	\$ 246,726
Federal					
Government					
Obligation	1,099,517	-	-	1,099,517	1,099,517
Total Deposits	\$ 1,099,517	\$ -	\$ -	\$ 1,346,243	\$ 1,346,243

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT
NOTES TO FINANCIAL STATEMENTS - (CONTINUED)

JUNE 30, 2002

Note 3 - Receivables -

The following is a summary of receivables at June 30, 2002:

	General Fund	Total
Accounts	\$ 13,343	\$ 13,343
State Grants	12,341	12,341
Total	\$ 25,684	\$ 25,684
Less allowance for uncollectible	-	-
	\$ 25,684	\$ 25,684

Note 4 - Ad Valorem Taxes

The following is a summary of authorized and levied ad valorem taxes:

2001 Authorized
and
Levied Millage

Special Revenue Fund 1.00

Ad valorem taxes attach as an enforceable lien on property as of January 1, of each year. Taxes are levied by the District during the year and actually billed to taxpayers and become due in November. Billed taxes become delinquent on December 31 of each year. Revenue from ad valorem taxes are budgeted in the year billed and recognized as revenue when billed. The Tangipahoa Parish, Livingston Parish, St. Helena Parish, Washington Parish and St. Tammany Parish Sheriff's Office bills and collects the property taxes using the assessed value determined by the Tax Assessors of Tangipahoa Parish, Livingston Parish, St. Helena Parish, Washington Parish and St. Tammany Parish. The taxes are generally collected in December of the current year and January and February of the ensuing year. For 2001, the District levied 1.00 mills for a total tax levy of \$3,239,917 on taxable property valuation totaling \$1,079,972,897.

FLORIDA PAROLEES-JUVENILE JUSTICE DISTRICT

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)

JUNE 30, 2002

Retirement Benefits

The age and years of creditable service required in order for a member to retire with full benefits are established by Statute and may vary depending on the member's employer and job classification. The substantial majority of members may retire with full benefits at ages ranging from any age, upon completing thirty years of creditable service, to age sixty, upon completing ten years of creditable service.

The basic annual retirement benefit for substantially all members is equal to 2-1/2% of average compensation multiplied by the number of years of creditable service plus \$200. Partisans who became members of LASERS on or after July 1, 1993, are not eligible for the \$200 addition to the normal retirement benefit formula. Average compensation is defined as the member's average annual earned compensation for the period of thirty-six consecutive months of employment during which the member's aggregate annual compensation was greatest. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or certain specified dollar amounts of actuarially determined monetary limits which vary depending upon the member's age at retirement. Judges and court officers and certain elected officials receive an additional annual retirement benefit equal to 1 % of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the above basic retirement benefit, a member may elect to receive his retirement benefits under any one of four different options providing for a reduced retirement benefit payable throughout his life with certain benefits being paid to his designated beneficiary after his death.

Contributions

Covered employees are required by state statute to contribute 7.50% of their salary to the plan. The District is required by the same statute to contribute the remaining amount necessary to pay benefits when due. The contribution requirement for the year ended June 30, 2002, was \$388,338 which consisted of \$248,407 from the District and \$142,151 from employees. Each employee was required by Statute to contribute 13.0% of each employee's earned compensation to finance participation of its employees in LASERS. The following provides certain disclosures for the District and the retirement system.

The District's total payroll in the fiscal year ended June 30, 2002 was \$2,419,212 and the District's contributions were based on a payroll of \$1,899,348. Both the District and the covered employees made the required contributions, amounting to \$388,338.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)

JUNE 30, 2003

Local Information

Contributions required by plan statute:

<u>Fiscal Year June 30</u>	<u>Required Contributions</u>	<u>Percentage Contributions</u>
2000	\$ 274,607	100%
2001	\$ 328,718	100%
2002	\$ 368,888	100%

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. This report may be obtained by writing to the Louisiana Employees Retirement System of Louisiana, 8400 United Plaza Boulevard, Baton Rouge, Louisiana 70808-7290, or by calling (225) 523-8600.

Note 7 - Compensated Absence -

Employees of the District are granted annual leave and sick leave based on the equivalent of years of service for the District and the leave is credited at the end of each regular pay period in accordance with the following schedule:

<u>Hours Granted Per Month</u>	<u>Annual and/or Sick Leave</u>
Years of Service:	
0 - 2 Years	8 Hours
3 - 4 Years	10 Hours
5 - 9 Years	12 Hours
10 - 14 Years	14 Hours
Over 15 Years	16 Hours

The District's present written policy is "use or, lose". Each employee's annual leave will begin and regenerate on the employee's individual hire date and subsequent hire date anniversary. Annual leave is not paid upon an employee's separation of service. Sick leave up to 240 hours may be accumulated, but is not paid upon separation from service. As a result, no liability for annual leave or accrued sick leave is recorded by the District.

Note 8 - Other Post Employment Benefits -

The District has no other post employment benefits.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)

JUNE 30, 2002

Note 9 - Compensation Paid Board Members -

Louisiana Revised Statute 15:1094.1(B) provides "The members of the board of commissioners shall serve without salary or per diem but the board may authorize a reasonable travel allowance for its members in the performance of their official duties."

Note 10 - Changes in Long-Term Debt -

The following is a summary of debt transactions for the Florida Parishes Juvenile Justice District for the year ended June 30, 2002:

	Balance July 1, 2001	Certificates Issued	Certificates Retired	Balance June 30, 2002
Certificates of Indebtedness	\$ 1,360,000	\$ -	\$ 215,000	\$ 1,145,000
	<u>\$ 1,360,000</u>	<u>\$ -</u>	<u>\$ 215,000</u>	<u>\$ 1,145,000</u>

Long-term debt at June 30, 2002 is comprised of the following:

Certificates of Indebtedness:

\$3,100,000 Certificates of Indebtedness Series 1997 dated
October 22, 1999:

Due in Annual Installments of \$245,000 - \$390,000
through March 1, 2006, Interest at 4.00% - 6.50%.

\$ 1,145,000

Total General Long-Term Debt

\$ 1,145,000

Payments of Certificates of Indebtedness principal and interest are secured solely by an irrevocable pledge and dedication of the funds to be derived from the levy and collection of a three (3) mills tax authorized to be levied in each of the years 1996 to 2003, inclusive. Said special tax has been authorized to be levied on all the property subject to taxation within the corporate boundaries of the District pursuant to an election held therein on October 21, 1995.

The annual requirements to service all debt outstanding at June 30, 2002, including interest payments of \$192,850 are as follows:

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)

JUNE 30, 2002

Certificate of Indebtedness, Series 1996

Year Ended June 30	Principal	Interest	Total
2000	\$ 325,000	\$ 74,514	\$ 400,514
2001	330,000	57,760	407,760
2002	370,000	39,910	409,910
2003	390,000	39,870	409,870
	<u>\$ 1,415,000</u>	<u>\$ 192,154</u>	<u>\$ 1,607,154</u>

Note II - Dedication of Proceeds and Flow of Funds - Ad Valorem Tax -

Proceeds of the 10-year special tax of 3 mills on the dollar of assessed valuation on all property subject to taxation in the District (2001 collections - \$3,185,337) are dedicated for the purpose of improving, maintaining and operating the Florida Parishes Juvenile Detention Center, including enlarging said Center and acquiring, maintaining and operating all necessary equipment and furnishings for said Center, said tax subject to homestead exemption as provided by law.

The District, through its governing authority, adopted a resolution on July 10, 1996, as supplemented by a resolution adopted on September 11, 1996, authorizing the issuance of \$3,000,000 of Certificate of Indebtedness, Series 1996 for the purpose of improving the Florida Parishes Juvenile Detention Center, including enlarging said Center and acquiring necessary equipment and furnishings for said Center, and paying the costs of issuance of the Certificates. In those resolutions the proceeds of the 10-year special tax were irrevocably and inseparably pledged and dedicated to an amount sufficient for payment of the certificates authorized and interest as they become due and for other purposes.

The certificate resolution requires that the District shall deposit with the District's fiscal agent bank in a "Sinking Fund" at least 5 days in advance of the date on which each payment of principal and/or interest falls due, funds fully sufficient to promptly pay the maturing principal and/or interest as falling due on such date.

After the funds have actually been set aside out of the revenues of the tax for any fiscal year sufficient to pay the principal and interest on the certificates for that fiscal year, and all required amounts have been deposited in the aforesaid Sinking Fund, then any annual revenues of the tax remaining in that fiscal year shall be free for expenditure by the District for the purposes for which the tax was authorized by the voters.

The balance in the Sinking Fund at June 30, 2002, was in accordance with the certificate covenant.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT
NOTES TO FINANCIAL STATEMENTS - (CONTINUED)

JUNE 30, 2002

Note 12 - Compliance With Certificate Covenants -

The District, through its governing authority, adopted a resolution on July 18, 1995, as supplemented by a resolution adopted on September 11, 1996, authorizing the issuance of \$3,161,000 of Certificates of Indebtedness, Series 1996 for the purpose of improving the Florida Parishes Juvenile Detention Center, including enlarging said Center and acquiring necessary equipment and furnishings for said Center, and paying the costs of issuance of the Certificates. These certificate resolutions contained certain covenants and agreements in connection with the security and payment of the certificates. The major covenants contained in the certificate resolution and the manner in which the District has complied with these covenants is described as follows:

Sinking Fund - According to the certificate resolution, the District shall deposit with the District's fiscal agent bank in a "Sinking Fund" at least 3 days in advance of the date on which each payment of principal and/or interest falls due, funds fully sufficient to promptly pay the maturing principal and/or interest so falling due on each date.

As of June 30, 2002, the District was in compliance with this certificate covenant.

Securing of deposits of public funds - In the certificate resolution it is required that all moneys deposited with the regularly designated fiscal agent bank or banks of the District as the paying agent under the terms of the resolution shall constitute secured funds for the benefit of the owner of the certificate, and shall be secured by said fiduciaries at all times to the full extent thereof in the manner required by law for the securing of deposits of public funds.

As of June 30, 2002, the District was in compliance with this certificate covenant.

Other Requirements - The certificate resolution contains additional covenants regarding collection of tax, legal right to collection of tax, and other miscellaneous provisions.

As of June 30, 2002, the District was in compliance with these other certificate covenants in all material respects.

Note 13 - Litigation And Claims -

The District is a defendant in a lawsuit involving a claim by a contractor for extra compensation as a result of change orders issued during the construction of the original Juvenile Detention Center in Tangipahoa Parish, Louisiana. A judgment was rendered on September 30, 2002 in the 21st Judicial District Court against the District for the sum of \$93,896.68 together with legal interest thereon from date of judicial demand, and for all costs of the proceeding. The matter is in the process of being based on a motion for a new trial. The District has not appropriated any monies to pay this judgment and therefore no liability has been recorded.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

Notes 14 - GASB Statement No. 34

In June 1995, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Contents of the significant changes in the Statements include the following:

- For the first time the financial statements will include:
 - A Management Discussion and Analysis (MD&A) section providing an analysis of the District's overall financial position and results of operations.
 - Financial statements will be prepared using full accrual accounting for all of the District's activities, including reporting infrastructure assets (roads, bridges, etc.).
 - A change in the fund financial statements to focus on the major funds.

The general provisions of GASB Statement No. 34 must be implemented by the District no later than the fiscal year ending June 30, 2016.

SUPPLEMENTARY INFORMATION

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT
SCHEDULE OF COMPENSATION PAID BOARD MEMBERS
FOR THE YEAR ENDED JUNE 30, 2002

This schedule of compensation paid board members is presented in compliance with House Concurrent Resolution No. 34 of the 1979 Session of the Louisiana Legislature. Louisiana Revised Statute 15:1094.1(2) provides that "board members shall serve without salary or per diem but the board may authorize a reasonable travel allowance for its members in the performance of their official duties."

<u>Board Member</u>	<u>Title</u>	<u>Compensation</u>	<u>Travel Allowance</u>
Robert G. Tyler, Jr.	President	\$ -	\$ -
Melvin R. Basley	Secretary	-	-
Mary Sue Ferguson	Committee Chair	-	-
Rev. Willie G. Johnson	Commissioner	-	-
Richard Sylvest	Commissioner	-	-
Peggy G. Hoover	Commissioner	-	-
Kathryn Hill	Commissioner	-	-

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

**SCHEDULE OF EXPENDITURES BY CLASSIFICATION -
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND**

FOR THE YEAR ENDED JUNE 30, 1992

	Revised Budget	2001 Actual	Variance Favorable (Unfavorable)	2001 Actual
Salaries and related benefits:				
Salaries	\$ 2,090,950	\$ 1,966,966	\$ 24,977	\$ 1,974,194
Benefits	335,317	448,434	(105,117)	355,795
	2,426,267	2,407,940	(18,403)	2,329,989
 Travel and Training	 33,325	 30,731	 2,794	 11,669
Operating services:				
Printing	150	145	5	-
Insurance	168,536	290,866	(21,150)	167,952
Bank Charges	65	2,071	(2,006)	48
Maintenance - Area and Building	20,000	17,164	2,816	17,210
Maintenance - Other	61,500	43,841	15,699	35,967
Rental - Other	1,000	694	346	111
Dees and Subscriptions	1,100	1,083	15	1,269
Postage	3,669	3,667	(188)	3,782
Telephone	22,477	17,043	4,466	18,763
Utilities	75,860	75,513	1,465	77,508
Record Retention	9,840	9,840	-	-
Rural Trash Collection	3,000	3,919	1,081	3,528
Pest Control	3,089	4,865	(1,663)	3,763
Legal Advertisement	2,188	717	1,383	2,032
Cable TV	600	485	115	588
Copyer Lease	8,000	4,695	3,465	5,368
Internet	-	-	-	619
Security Drug Testing	4,000	3,138	862	4,338
Other Operating Services	-	799	(799)	1,668
	388,587	380,567	6,600	345,696

(CONTINUED)

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

**SCHEDULE OF EXPENDITURES BY CLASSIFICATION
BUDGET (GAAP BASIS) AND ACTUAL (GENERAL FUND) - (CONTINUED)**

FOR THE YEAR ENDED JUNE 30, 2002

	Revised Budget	2002 Actual	Variance Favorable (Unfavorable)	2001 Actual
Operating Supplies:				
Office Supplies	24,180	23,896	284	13,103
Medical Supplies	17,000	18,945	(1,945)	16,426
Food	110,000	107,103	2,897	120,620
Automotive and Maintenance Supplies	40,000	41,622	(1,622)	17,610
Juvenile Personal	10,000	11,583	(1,583)	13,823
Security Supplies	5,000	4,193	807	3,007
Recreation Supplies	2,500	2,510	(10)	856
Uniforms	5,400	4,552	848	8,138
Kitchen Supplies	4,000	3,718	282	5,340
Educational Supplies	3,000	2,752	248	1,668
Social Services Supplies	300	713	(413)	1,534
Computer Software	1,000	1,157	(157)	830
Kaptoned Wipes	4,000	3,050	950	2,912
Other Operating Supplies	6,892	4,839	1,913	6,035
	<u>233,390</u>	<u>228,678</u>	<u>4,712</u>	<u>231,771</u>
Professional Services:				
Accounting and Auditing	24,000	23,490	510	20,871
Medical	32,000	28,690	3,310	23,286
Legal	64,508	71,247	(6,739)	37,382
Training	500	386	114	-
Contract Labor	33,867	35,692	(11,825)	23,786
Other	-	120	(120)	11,573
	<u>144,875</u>	<u>159,597</u>	<u>(14,022)</u>	<u>116,978</u>
Capital Outlay	<u>70,000</u>	<u>70,000</u>	<u>(1,000)</u>	<u>20,533</u>
Total Expenditures	<u>\$ 3,585,217</u>	<u>\$ 3,467,871</u>	<u>\$ (82,664)</u>	<u>\$ 3,003,926</u>

See auditor's report.

OTHER INDEPENDENT AUTHORS' REPORTS AND FINDINGS AND RECOMMENDATIONS



Hannis T. Bourgeois, LLP

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Certified Public Accountants

1170 Daffin Avenue, Suite B
Oxford Springs, LA 70160

September 5, 2002

Mr. Robert G. Tyler, Jr., President
and the Members of the Board of Commissioners
Florida Parishes Juvenile Justice District
Hammond, Louisiana

We have audited the general purpose financial statements of the Florida Parishes Juvenile Justice District, Hammond, Louisiana, as of and for the year ended June 30, 2002, and have issued our report thereon dated September 5, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Florida Parishes Juvenile Justice District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that is required to be reported under Government Auditing Standards which is described in the accompanying schedule of findings and recommendations as item number 2002-1.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Florida Parishes Juvenile Justice District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Florida Parishes Juvenile Justice District's ability to record, process, summarize and

report financial data consistent with the assertions of management in the general purpose financial statements. A reportable condition is described in the accompanying schedule of findings and questions under item number 2009-2.

A *material weakness* is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in accounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that the reportable condition described above is not a material weakness.

This report is intended for the use of management and the Office of the Legislative Auditor, State of Louisiana, and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which, upon acceptance by the Florida Parishes Juvenile Justice District, is a matter of public record.

Respectfully submitted,

Hannia T. Bourgeois, LLP

FLORIDA PARISHES REVENUE JUSTICE DISTRICT
CURRENT YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2002
FINDINGS AND RECOMMENDATIONS

2002.1 - Inadequate Security for Deposits

Finding:

In the current year, approximately \$61,234 of the \$471,868 of deposits with financial institutions was uninsured at June 30, 2002.

F.A.R.C. Statute 39-1225, requires that balances on deposit with financial institutions are to be secured by a pledge of securities in amounts which at all times are to be equal to 100% of the amount of collected funds on deposit to the credit of the depositing authority in excess of federally insured limits. Uninsured deposits are subject to loss in the event of failure of the financial institutions.

Recommendation:

We recommended that management take the necessary steps to obtain adequate security for deposits in excess of FDIC insurance.

2002.2 - Investment Account

Finding:

In the current year, it was noted that several investment accounts had not been reconciled to the investment statements. It was also noted that several cash receipt transactions were recorded as income twice due to problems with the accounting software.

Recommendation:

It was recommended management take the necessary steps to reconcile the investment account on a monthly basis and make all adjusting journal entries to record the investment activity. We recorded all the necessary entries to properly reconcile the investment account balance at June 30, 2002. The proper recording of the investment account activity will give the Board more accurate financial information in order that budget decisions may be made more timely.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS



FLORIDA PARISHES JUVENILE JUSTICE DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2002

MOI-1 Employee Payroll Advances

Finding:

During the prior year audit and testing of payroll and related expenditures, it was noted that several payroll advances were made to employees that are in violation of Article 7, Section 14 of the Louisiana Constitution which prohibits the loan of public funds. Article 7, Section 14 of the Louisiana Constitution states, in part, *"the funds, credits, property or things of value of the state or of any political subdivision shall not be loaned, pledged or donated to or for any person, association, or corporation, public or private."*

On May 8, 2001, the District paid an employee \$600.00 as an advance on their bi-weekly payroll. The bi-weekly pay period that ended immediately previous to this date was the pay period ended April 28, 2001. The gross pay that this employee had earned for the pay period April 28, 2001 through May 5, 2001 totaled \$633.36. On May 18, 2001, this employee was paid in full for the hours worked during the bi-weekly pay period beginning April 28, 2001 and ending May 13, 2001. The employee's gross pay for the pay period ended May 13, 2001 totaled \$904.89 from which a deduction for \$700.00 was made for the payroll advance given the employee on May 8, 2001. On May 18, 2001, the employee was paid in full for all pay earned through May 13, 2001, except for accrued annual leave and accrued comp time, at which time the employee still owed the District \$400.00 for the payroll advance made on May 8, 2001. This advance to the employee was not paid in full until June 15, 2001.

It was noted that five other employees for which similar payroll advances had been made. One employee was advanced \$432.50 on October 12, 2000 and the District was not repaid this advance until March 23, 2001. Evidence in the files indicate that nine employees may have had accrued annual leave and comp time which was due the employee at the time of the payroll advance. However, there was no indication that the employee applied to use the accrued leave time or comp time to repay the payroll advance.

Recommendation:

It was highly recommended that the District seek an attorney general's opinion to determine if the current payroll advances were allowable. Without such an opinion, it was recommended that the District immediately discontinue the practice of employee advances.

Corrective Action Taken:

The District has discontinued the practice of employee advances.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2002

2001-2 Budget Variance Exceeds 5% Allowable Under State Law

In the prior year, the Florida Parishes Juvenile Justice District did not comply with certain budget requirements imposed by state law. Budget procedures applicable to the District are specified in state law, Louisiana Revised Statutes (LSA-R.S.) 39:1301-1314. The pertinent parts of the law and the manner in which the District failed to comply with the law are as follows:

State law (LSA-R.S.) 39:1309-1310 requires the original budget to be amended when actual expenditures exceeded the amounts budgeted by five percent or more.

Finding

The budget for the fiscal year ended June 30, 2001, was amended on May 28, 2001. However, actual expenditures exceeded the amounts budgeted in the following fund by more than five percent:

	<u>Actual Expenditures</u>	<u>Amount Budgeted</u>
Special Revenue Fund	\$ 124,733	\$ 121,050

Recommendation

It was recommended the District continue to closely monitor its budget and adopt budget amendments when required.

Corrective Action Taken

Management indicated the budget will continue to be monitored on a monthly basis. Budgetary amendments will be made when actual revenues decrease over original budget projections and actual expenditures increase over original budget projections by more than five percent.

FLORIDA PARISHES JUVENILE JUSTICE COMMISSION

COMMERCIAL
BANK MEMBERS

MEMBERSHIP LIST AS
OF JANUARY 1, 1994
JULIAN ARNOLD, CHAIRMAN



POST OFFICE BOX

BARBOUR, LOUISIANA 70601

COMMERCIAL
BANK MEMBERS

MEMBERSHIP LIST AS
OF JANUARY 1, 1994
JULIAN ARNOLD, CHAIRMAN

November 12, 2002

Honorable T. Bourgeois, CPA
Attention: Collette
1175 Del Norte Avenue, Suite B
Denham Springs, LA 70726

Dear Collette:

Please accept this letter as response to the findings issued in our 2000-02 Fiscal Year Audit:

2002-1 - Inadequate Security for Deposits

The Trust Department of Hancock Bank has been contacted and adequate security for deposits in excess of the FDIC insurance limits has been obtained.

2002-2 - Accounting Discrepancy

The Commission has taken the necessary steps to have their secretary/bookkeeper take over the monthly reconciliation of the investment accounts, including making all adjusting journal entries to record the investment activity.

The accounting software problem that caused the duplication of several cash receipt transactions has been corrected.

If any additional information is needed, please do not hesitate to contact me.

Sincerely,


Brenda C. Bickford,
Administrative Assistant

/s/b